

OGC Has Reviewed

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SECURITY INFORMATIONLS-1634
322THROUGH: Chief, Finance Division
Comptroller
Assistant General Counsel

19 August 1952

Temporary Lodging Allowance --

25X1A

1. Reference is made to your memorandum of 1 July 1952 on the above subject.

2. The payment to civilian employees in [REDACTED] of (1) a quarters allowance, (2) a post differential, or (3) a cost of living allowance in excess of that prescribed by the Civil Service Commission under Section 205 of Executive Order 10,000, does not appear to be justified.

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3. So far as has been brought to our attention, civilian employees of other federal agencies in [REDACTED] do not receive such payment. The closest approach is in the case of some civilian employees of the Armed Forces who may reportedly rent, at a low rate, Government quarters not currently in use by military personnel.

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4. The CIA Act authorizes the granting of quarters allowances in accordance with Section 901(1) of the Foreign Service Act. The regulations implementing this Section prescribe quarters allowances for the various foreign posts but not for the [REDACTED] of the United States.

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5. [REDACTED] Post Differential is payable as prescribed by the Civil Service Commission pursuant to Sections 203 and 204 of Executive Order 10,000. None is in force for [REDACTED]

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6. [REDACTED] cost-of-living allowances are prescribed by the Civil Service Commission. The Senate of the United States on 3 July 1952 passed a bill (S.2003) raising the maximum additional compensation which may be paid for higher costs in the [REDACTED] from the 25% of basic compensation provided in Section 207 of the Independent Offices Appropriation Act of 1949. However, this bill was not passed by the House. No increase in the allowance for [REDACTED] would have resulted at any rate. The Senate Committee on Post Office and Civil Service stated in its report (Number 1300) on this bill as follows:

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"However, the committee wishes to point out that increases in excess of the present 25 percent limitation should only be authorized where the Bureau of Labor Statistics has certified, after careful and complete analysis, that a higher authorization is justified. The committee is of the opinion at the present time that such authorization is necessary only in certain areas of [REDACTED]. It also recommends that the Civil Service Commission report at least semiannually to the appropriate committees of the Congress full details and reasons for any authorization in excess of 25 percent."

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In the case of [REDACTED] the Civil Service Commission has not made use of the 25 percent legal maximum but rather has set the cost-of-living allowance at 20 percent of basic compensation.

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7. Therefore, payments in excess of the [REDACTED] cost-of-living allowance prescribed by the Civil Service Commission are improper.

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8. Since Agency employees in [REDACTED] who have been receiving the \$10.00 a day allowance entered on duty there relying on this allowance and have planned their living expenses accordingly, a considerable hardship would result in requiring them to make a refund when it is now later determined that such payments should not be made. It is only when Section 6.2 of the CFR's is considered in conjunction with applicable laws and Governmental policies that it is seen not to authorize such payments. However, the approval of the Director would be necessary to authorize these payments.

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[REDACTED]

OOC/RCH:lm:ag

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